

STATE OF UTAH  
OFFICE OF THE ATTORNEY GENERAL



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March 1, 2013

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**MAR 04 2013**

**DIV. OF OIL, GAS & MINING**

Subject: Response to Public Outreach for Evaluation of the Utah coal Regulatory Program

Mrs. Haddock and Strand:

The letter you sent to the Attorney General for comments on the OSM oversight process for the Utah Coal Program has been sent to me for response. I work as counsel for the Division and am glad to provide you with the perspective of the Attorney General's Office on the OSM oversight process. During the last year, we have been involved with two rather significant matters involving OSM oversight: (1) responding to the Ten Day Notice (TDN) regarding the adequacy of the Crandall Canyon Mine water treatment bond; and (2) addressing the inadvertent inconsistency between the published rules and the approved rules for awards of attorney fees.

The Crandall Canyon mine bonding issue has been ongoing for a number of years. During this time OSM has provided technical assistance to the Division in order to address this unique issue. In addition, the OSM has allowed the Division time to pursue the administrative appeal brought by the operator. When the OSM determined that the Board's Order was not consistent with its view of the Act, OSM clearly communicated its expectations and plan for action. When the Division requested time to work with the Board, OSM was fair and reasonable in allowing extensions. This matter is still under review, but the Attorney General's office has found OSM oversight to date to be fair and timely without compromising its duty to maintain consistency with the Act's requirements.

The more recent instance involved an inadvertent error in the publication of the rules of practice before the Board. The published version currently omits rules governing awards of attorney fees that were part of the Coal Program when approved. When the error was brought to the attention of the Division and of OSM, OSM was helpful in communicating its concerns, reviewing records and allowing time for consultation with the Board as part of a pending request for an award of fees. Again the Attorney General found the OSM oversight to be fair and helpful.

OSM has allowed opportunity for the Utah Division of Oil, Gas and Mining to work with its Board in developing responses in both instances, and has provided technical assistance that allowed the Division to meet its obligations in a meaningful way.

I am not directly involved in the more frequent inspections or contacts between OSM and the Division so I cannot comment on that aspect of the OSM oversight process.

Please contact me if you have further questions.

Sincerely Yours,



Steve Alder

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